

**STATEMENT OF DONNA de VARONA**  
**BEFORE THE**  
**SENATE COMMITTEE ON COMMERCE, SCIENCE, AND**  
**TRANSPORTATION**

**Thursday, February 13<sup>th</sup>, 2003**

**Good morning Mr. Chairman and Members of the Committee. I am Donna de Varona**  
**a former member of President Ford's Commission Olympic Sports, a consultant to the**  
**United States Senate during the passage of the 1978 Amateur Sports Act, a former**  
**member of the United States Olympic Committee Board of Directors and, most**  
**important, one who cares deeply and personally about America's Olympic**  
**Movement. I am here today in that latter role, and as a representative of some 6,000**  
**registered Olympic alumni in this country who are willing and eager to help make**  
**America's Olympic Movement what it should be.**

**I am also here today to help redirect the U. S. Olympic movement so that the**  
**inspirational achievements of a Bode Miller or a Sarah Hughes and the many, many**  
**others who have achieved success since the Salt Lake Winter Olympic Games are**  
**not eclipsed by the conflicts that have erupted within our Olympic movement. For**  
**many of us who have seen the Olympics through boycotts, organizational disputes,**  
**bid scandals, doping issues and even terrorism, we are supportive of the changes**  
**required to help our Olympic Committee reach its full potential.**

**It is so sad, as we celebrate the one-year anniversary of the incredibly successful**  
**Salt Lake City Olympic and Paralympic Winter Games which brought such**  
**renewed confidence in America's Olympic Movement, that the USOC has brought**  
**scandal upon itself once again, and, in so doing, has overshadowed its own triumphs**  
**as well as the accomplishments of those who stand to suffer the consequences of an**  
**Olympic Committee in disarray. I am referring, of course, to the American athletes**  
**who won an unprecedented 34 winter Olympic medals, as well as those who, after**  
**the horrific events of 9/11, organized a winter celebration which did so much to lift**  
**the spirits of a nation in mourning and a world eager to find common ground.**

**I would not be here if I were not devoted to what the Olympic Movement offers to**  
**this nation and to the world. Over the years it has not only inspired the notable**  
**accomplishments of elite athletes but it has given birth to other noble undertakings,**  
**such as the Paralympics and the Special Olympics, and motivated youngsters to**  
**seek the Olympic dream which celebrates the triumph of the human spirit.**

**For athletes in minor sports, the Olympics are their only Super Bowl. That is why it**  
**is so disheartening, especially given the outstanding accomplishments of our**  
**Olympic and Paralympic athletes in both the Sydney and Salt Lake Games, that**

festering issues within the USOC threaten to compromise its effectiveness in a broad range of areas. Given the steady departure of executives armed with reportedly-generous buyouts, escalating staff salaries, ethics violations, the financial burden of hosting large board of directors meetings which drain USOC coffers to the tune of 6 million dollars per quadrennium, as well as fund-raising inefficiencies which lead to a negative rating by Forbes in its year end review of Foundations, his kind of dysfunction can only lead to more crisis which will continue to have a negative impact on future Olympic efforts both on and off the field of competition.

With the Pan American Games scheduled to take place this summer and the Olympic Games in Athens, Greece, just 18 months away, those involved in sorting out how to make the USOC more effective need to act quickly .

In this regard, I just hope that this time around those involved in the process of reforming the USOC will consider recommendations which were originally offered by President Ford's Commission on Olympic Sports, recommendations which were not adopted but would have helped this organization avoid the predicament it finds itself in today.

### **History of the USOC**

The United States Olympic Committee began its existence in 1896, the year of the first Olympic Games of the modern era. In 1950, as with numerous other corporations concerned with the public good, it received a federal charter, the most important aspect of which was the first statutory protection of the Olympic trademarks to assist the USOC in its corporate and other fundraising efforts. Since its inception in 1896 and through 1976, the USOC was little more than a "travel agency" which functioned once every four years to send Olympic teams to the sites of the games.

Through the years of the American Olympic movement, there were both successes and failures. The successes may be summarized by a quick examination of the achievements of the some 6,000 Olympians. People like our alumni President John Naber and Mark Spitz, Wresters Rulon Gardner and Brandon Slay, decathletes Rafer Johnson and Congressman Bob Mathias, miler Jim Ryun, Senators Bill Bradley and Nighthorse Campbell, Statesmen Jesse Owens and Muhammad Ali, Olympic gold medallists such as Wilma Rudolf, Marion Jones, Janet Evans and the Williams sisters as well as many others who succeeded in becoming household names to whom our youth looked up as role models.

Many of these athletes succeeded despite the U.S. Olympic Movement's failures as embodied in huge disputes among organizations that comprised it. In the 1950's and early 1960's, as college and Olympic sports became more popular and prominent, three competing sports organizations began to fight over athlete jurisdiction; the

**AAU, then the national governing body (NGB) for 10 Olympic sports: the school/college sports community; and the “independent” NGBs which conducted their programs apart from the AAU and did not have school/college participation in their sports.**

**The consequences were (1) our best athletes often were left off of or denied the opportunity to compete in certain major international competitions, resulting in losses the United States would otherwise have won; (2) athletes were denied the opportunity to compete as a result of jurisdictional disputes; (3) no mechanism existed in our American Olympic system to solve or address these and other such problems.**

**Eventually, because of the absence of a unified organization in charge of amateur sports in the United States, and troubled by internecine squabbling which threatened to compromise US athletes, Congress held oversight hearings and President Ford's Commission on Olympic Sports was established.**

**President Ford's Commission on Olympic Sports:**

**In 1975 President Gerald Ford established the Commission on Olympic Sports:**

1. To recommend an organizational blueprint for how Olympic sports activities should be structured in this country so that certain types of disputes could be resolved, including an athlete's right to compete, and
2. To find better ways to finance Olympic sport in America.

**After a two-year comprehensive study in which all interested parties were invited to participate, the Commission issued its final report in January, 1977. It, called for a totally reorganized USOC which would assume the leadership for all Olympic sports in the United States while addressing the issues that had plagued the U.S Olympic movement for years. It directed the USOC to:**

1. Create a mechanism to settle disputes
2. Facilitate the establishment of independent National Governing Bodies
3. Ensure athletes' rights to compete
- 4. Be responsible for fund raising efforts**
5. Provide fair and equitable opportunities for minorities, those with special needs, and women athletes

**To its credit the former USOC, in response to the Commission report, voluntarily reorganized itself in 1977 and 1978, ridding itself of a far more unwieldy structure than even exists today. And, it set out on new fundraising/marketing efforts that resulted in more funds being raised than in all of its previous years' of existence combined! It was during that quadrennial period that U. S. Olympic programs we now take for granted came to life such as the creation of the Olympic Training Center, financial support for NGBs and travel and training grants for developing athletes.**

**Meanwhile, Congress was enacting the Amateur Sports Act of 1978 which was based on the Ford Commission Report. The Act was, for very good reasons, designed as an amendment to the USOC original charter of 1950. The Act did several things.**

1. It redefined USOC purposes, expanding the USOC 's scope of assigned activity.
2. It developed criteria, duties and authorities for national sports governing bodies (NGB's) that an NGB had to meet in order to be recognized by the USOC.
3. It provided procedures for resolving disputes using the NGB criteria and duties as standards.
4. It provided a mechanism to guarantee the right of an athlete to compete in certain types of competitions, most notably when a national team was involved, and,
5. It supported the notion that athletes should be included in governance on all sporting boards within the USOC structure.

## **CURRENT SITUATION:**

However, since the passage of the Amateur Sports Act in 1978, now renamed the "Ted Stevens Olympic and Amateur Sports Act," which was further revised in 1998, the USOC has not only been faced with new and emerging issues but it has evolved into a cumbersome, multi-tiered, two-track structure, one of which is a 123-member, unwieldy and unfocused volunteer Board of Directors headed by a Volunteer President, and a 21-member Executive Board. The other track is a large professional staff of nearly 500 people headed by a paid CEO. The two tracks often operate independently at best and cross-purposes at the worst. Like the geometric principle of two parallel lines meeting only at the point of infinity, it often seems that the same principle applies to the two branches of the USOC.

As we have seen, this perpetual organizational flaw has lead to confusion, frustration, power struggles and squabbling. No one knows who should report to whom and who is responsible for what. Lost in this disorder is the USOC's primary mission to identify and support programs to benefit America's athletes. Endlessly caught up in an environment which excludes rather than encourages inclusion of outside leadership and resources, the USOC has failed to reach its full potential.

## **RECOMMENDATIONS:**

### **1. Working Group**

Senators Ted Stevens, John McCain and Ben Nighthorse Campbell SHOULD appoint a small working group to recommend changes to the operating structure of the USOC as well as identify obstacles which have prevented the Olympic committee from fully serving Americas athletes. Appointed individuals should have either a working knowledge of ethics, well run non-profit organizations, corporate boards, or have experience working with the Olympic community as a prerequisite to address the unique challenges the Olympic movement presents in the following areas:

### **2. Foundation of Governance: History revisited**

**We all recognize that the governance of the USOC has to be streamlined. In that regard, section 22052 of the Amateur Sports Act, pertaining to Membership, should be closely examined. Based on the Report of the President's Commission On Olympic Sports (PCOS, 1975-77), the Commission recommended then that the USOC should have both a smaller Board of Directors and Executive Committee to permit the USOC to be governed more efficiently and be more responsive to the athletes.**

**Therefore I propose the Act be amended in at least two ways.**

- (1) Require the USOC board be comprised of not more than 15 members with major representation from individuals skilled in areas outside of sport such as the late Bill Simon, who, as President of the USOC from 1980 through 1984 brought his unchallenged leadership skills and concern for all parts of the USOC organization.
- (2) Mandate that the USOC's larger body ( whether it is called a council or assembly or a congress ) be comprised of only NGBs. This would not only streamline the organization but it would encourage implementation of a "vertical structure", a fundamental; organizational concept proposed in the 1978 Amateur Sports Act and the Commission report but unimplemented so far.

However, in changing governance, the USOC should continue to host a gathering of all interested constituents during a "Congress" or "National Sports Assembly" which would encourage participation by members of disparate organizations that provide strength to the Olympic Movement in the United States (at the expense of the attendees). During these yearly gatherings, new leadership could be

identified, emerging issues could be addressed and athletes, volunteers and sponsors could be recognized.

Always problematic, the size of the USOC Board has been and is a product of its own making. The USOC is free to reduce the size of its board by revising its own Constitution and Bylaws. However when streamlining, the volunteer aspect of the USOC, which makes up the foundation of the Olympic Movement both in the US and internationally, should be preserved and protected.

With these changes in place, the recent flap over the conduct of the ethics inquiry, most likely could have been avoided. Under a revised Olympic structure the ethics committee would be a committee of the board, as it is in all well managed corporations, smaller in number (5) and comprised of board members elected from internal constituencies and those elected from outside the internal constituencies (eg Bill Simon). Instead, under the current model, the USOC has to completely externalize its ethics reviews to non Board members because its current 123 Board members are potentially the very persons whose ethics might be scrutinized. Reporting on ethics matters under this model would be more streamlined and confidential and be solely to the other Board members whose ethics would have been previously vetted in order to serve on the Board.

Finally if the USOC is going to be fully reexamined in light of the Ted Stevens Olympic and Amateur Sports Act we should also revisit not only the new amendments and other parts of the Act but also current interpretation of the Act by USOC. As one who has just completed work on the Opportunity in Athletics Commission, I can attest that tinkering in one area of legislation can have a profound impact in other areas.

### **Role of the Volunteer vs. the Staff**

Studying the way in which the International Olympic Committee ("IOC") delineates and coordinates staff functions in partnership with its volunteer membership to prioritize its agenda and implement policies could be very instructive when identifying how the USOC should function. Currently the IOC appoints commissions that are comprised of IOC staff, IOC members as well as outside experts to deal with different aspects of international sport. These Commissions include Marketing, Media, television and broadcast communications, Solidarity, Olympic Games site selection, Olympic Host City Oversight, etc.

## **4. International Relations**

This area has been a breeding ground for trouble. Clear lines of authority and responsibility must be drawn in this area. Since the International Olympic Movement depends on volunteers, National Olympic Committee Presidents are

recognized as the official voice of authority when international sports protocol is observed. However when business is conducted, overlapping areas of responsibility often create friction between the President and the CEO. Therefore in areas of Olympic protocol, the President should take the lead, and in business dealings, the CEO should have the responsibility.

## **5. Transparency**

In order to get a handle on the financial situation of the USOC and its attendant programs and initiatives, the USOC must be willing to account for all funds raised and donated be they in the form of cash or "V. I. K.". How monies are spent and allocated and to whom and for what purpose should be documented in a report to Congress on a yearly basis.

## **6. Future**

Ideally, if the UOSC finds the will and the way to respond to change, discussions with the NCAA, the High School community and the President's Council on Physical Fitness and Sports on how to find ways to support each other's programs and share resources will result in even more Olympic participation opportunities for America's youth.

## **CONCLUSION:**

**The USOC is going through a troublesome and embarrassing period, and perhaps has only itself to blame. Nevertheless, as one who has been part of this movement for most of my life I believe that it serves a very important function and that there are many good and passionate people already involved. Ideally a restructured USOC would attract America's brightest and most dedicated, the kind of people who seek out dreams and help those who dare to reach for them. The kind of people who work for non- profits because the bonus they get is the smile on the faces of those who dare to reach for excellence.**

**As we seek to make the USOC a more streamlined and responsive organization we must not lose sight, or abandon that which is good. Ultimately the USOC exists to serve not only the athletes, but also the American people. It is doing both now, but it can do it much better. I look forward to whatever contribution I can offer to help it become an even better and more inclusive organization as do the athletes that we are all dedicated to serving.**